

# Protocol Assessment Report Standards and Criteria Working Group 1 Presentation

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# Goal of Work Group I Protocol Assessment

Compare the status of existing protocols with emerging compliance standards for forest offset projects.

## Steps:

1. Define criteria and “compliance standards.”
2. Compare compatibility of existing protocols to compliance standards.
3. Recommend how to move forward toward compliance grade forest project credits.

# Step 1: Defining Compliance Criteria and Standards

Consensus for project-level compliance criteria and standards - led by state of Amazonas.

Climate, Community & Biodiversity Standard	State of California
Conservation International	State of Illinois
Environmental Defense Fund	State of Mato Grosso
Fauna and Flora International	State of Papua
Institute for Conservation and Sustainable Development of Amazonas	State of Para
Instituto de Pesquisa Ambiental da Amazonia	State of Wisconsin
State of Aceh	The Nature Conservancy (Brazil)
State of Acre	The Nature Conservancy (California)
State of Amapa	Tropical Forest Group
State of Amazonas	



# Compliance Criteria

1. Project Description	7. Measurement
2. Project Management	8. Permanence
3. Project Eligibility	9. Project Co-Benefits
4. GHG Sources, Sinks, and Reservoirs	10. Stakeholder Participation
5. Additionality and Baselines	11. Monitoring
6. Leakage	12. Verification

# Compliance Standards

Vision of framework needed for compliance-grade emissions reductions in Brazil and Indonesia (and other tropical forest countries) from forest activities that would be accepted by emerging compliance regimes in the U.S.



Consensus Criteria and Standards Document



## Step 2 : Protocol Assessment

- Existing protocols were assessed according to criteria that have been determined to be fundamental for compliance standards.
  - Identify where issues are addressed.
  - Highlight issues that are not in agreement.
- Protocols assessed:
  - Voluntary Carbon Standard (VCS)
  - Climate Action Reserve (CAR)
  - Clean Development Mechanism/UNFCCC (CDM)
  - Climate, Community, and Biodiversity Standards (CCBS)
  - Chicago Climate Exchange (CCX)



# Criteria with Generally Similar and Resolvable Approaches

1. Project Description	7. Measurement
2. Project Management	8. Permanence
3. Project Eligibility	9. Project Co-Benefits
4. GHG Sources, Sinks, and Reservoirs	10. Stakeholder Participation
5. Additionality and Baselines	11. Monitoring
6. Leakage	12. Verification

# Criteria Requiring Additional Efforts to Resolve


1. Project Description	7. Measurement
2. Project Management	8. Permanence
3. Project Eligibility and Term	9. Project Co-Benefits
4. GHG Sources, Sinks, and Reservoirs	10. Stakeholder Participation
5. Additionality and Baselines	11. Monitoring
6. Leakage	12. Verification





# Additionality and Baseline Unresolved Issues

- ✓ Reconciliation of baseline determination and net reductions across projects.
- ✓ Parity with different kinds of projects (e.g., frontier, mosaic, degradation) in different political and ecological landscapes.
- ✓ Accounting for the different uncertainties in baseline calculations.
- ✓ At what level to include community and biodiversity impacts.
- ✓ Incorporation of new research and tools.



# Leakage

## Unresolved Issues

- ✓ Difficult to measure and monitor.
  - Estimating market leakage.
  - Leakage responsibility of projects over time.
  - Setting a leakage reference area.
  - Shifts to unaccounted for activities (selection logging).
  - Shifts in investment or livelihoods.
  - Monitoring and measuring activity shifting leakage.
  - Wide variety of estimates, data gaps & research needs.



# Permanence Unresolved Issues

- ✓ Defining the permanence timeframe and demonstrating equivalence to direct emissions reductions.
- ✓ Ensuring permanence with monitoring, verification.
- ✓ The need for a governance authority that can clearly articulate corrective actions or other remedies when project obligations are breached for the permanence duration.
- ✓ Assessing risk in a standardized manner that is calibrated to the permanence timeframe.



# Co-Benefits and Stakeholder Participation Unresolved Issues

- ✓ The level of stakeholder participation and co-benefits that are the minimum requirements for credit issuance regardless of geography, project size or project type?
- ✓ Assessing projects across varying geographies for biodiversity and community/economic/Indigenous Peoples impacts.
- ✓ Standards and verification for distribution of benefits.
- ✓ Incorporation of “higher” levels of standards.

## Step 3: Moving Forward

GOAL: Inform the parties to the MOU concerning key rules and design of a regulatory infrastructure to include REDD and other forest projects in emerging GHG compliance regimes.



WORK TO DO: Address Unresolved Issues.



TASK: Review Consensus Standards.

TASK: Establishing Key Policies.

TASK: Road Test Protocols and Suggested Modifications.



# Review Consensus Standards

- **Baseline:** Develop Recommendations for Project Specific or Standardized Baseline Approaches.
- **Leakage:** Recommend standardized levels of measurement required.
- **Permanence:** Define the permanence timeframe, the resulting calibrations for risk assessment, and governance or binding contracts required to ensure monitoring and verification.
- **Co-Benefits and Stakeholder Participation:** Recommend minimum requirements and clarify shared distribution of benefits.



# Establishing Key Policies

- **Administrative Costs:** Managing costs at acceptable levels.
- **Timeliness:** Allow crediting of pilot project during process of addressing unresolved issues.
- **Governance:** Identify necessary infrastructure to ensure commitments are adhered to, monitoring is ongoing, and the validation/verification processes are working.
- **Scalability:** Designing system requirements to meet anticipated market demand.
- **Credit types:** Future role of expiring credits.
- **Workability:** Solutions work on the ground and are cognizant of capacity and cost.



# Road Test the Protocols and Suggested Modifications

- Interim oversight on model projects for ground truthing and to develop lessons learned.
- Immediately create an oversight/working group.
- Develop list of potential pilot projects that have potential to meet initial work group standards.
  - test approaches and provide additional input to address unresolved issues, review compliance standards, and establish key policies.
- Set up interim period (2 years) where issuance of credits is allowed if project meets evolving guidelines from oversight group.





# Potential Pilot Projects

- Juma Sustainable Development Reserve, State of Amazonas , Brazil (589,612 ha)
- Ulu Masen Ecosystem, Aceh, Indonesia (750,000 ha)
- Guaraqueçaba Environmental Protection Area, Brazil
- Noel Kempff Mercado Climate Action project, Bolivia (1,523,446 ha)
- Xingu Watershed, Para and Mato Grosso
- Makira project, Madagascar



# DISCUSSION